

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3566-01
Bill No.: HB 1374
Subject: Amends various provisions regarding the standards for nursing homes.
Type: Original
Date: January 28, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General** assume the proposed legislation will not fiscally impact their organization.

Officials from the **Department of Health and Senior Services (DOH)** believe current resources available for surveying and licensing functions are adequate to implement the modifications of the proposed legislation. However, if the legislation proves to have a significant impact on the number of license revocations, the DOH may need to request additional FTE in the future.

Changes in the penalty provisions are likely to increase state revenue (i.e., Elderly Home-Delivered Meals Trust Fund). However, an estimate of the possible increase in state revenue is indeterminate since facility compliance with minimum standards is solely dependent on the operator's actions.

The DOH officials also stated this legislation may have an indeterminate economic impact on facilities operated by local government units that are assessed increased penalties for failure to comply or sustain compliance with federal certification or state licensing standards.

Also, due to changes in compliance requirements, facilities operated by local government units may be prohibited from providing in-house nurse assistant training and as a result may incur additional costs to obtain external training.

Oversight assumes there would be penalties but the penalties are not reflected in the fiscal note.

This proposal may result in an increase to Total State Revenue depending on the penalties incurred by long-term care providers.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposed legislation may have a negative impact to small businesses if they incur penalties and additional training costs. The net effect is unknown.

DESCRIPTION

This bill increases the civil monetary penalty ranges for violations of class I, II, and III standards for long-term care facilities. It also increases the penalty range for violations of federal standards that are not violations of state law or regulation. The bill also increases the maximum penalty for violations that result in serious physical injury or sexual abuse.

Currently, civil monetary penalties are required to be reduced by the amount the facility operator has paid for the breach of the same federal standards. The bill makes the reduction in the civil monetary penalty discretionary and requires the state action to arise out of the same conduct as the violation that incurred the federal penalty.

A written notice of noncompliance must be given to the Attorney General. The Attorney General may bring suit against a licensed facility operator to recover civil monetary penalties.

The Department of Social Services is allowed to revoke a facility license when the operator of a facility is cited for failure to comply with a class I standard twice in a 24-month period or for failure to comply with a class II or class III standard twice in a 12-month period.

Currently, nursing assistants must have successfully completed a training program or enroll in one within 90 days of their employment. The bill requires that nursing assistants enroll in a program within 60 days and complete the program within 90 days of their employment. The facility can establish and carry out a training program as long as it has not been cited for certain violations within a certain time period. The department is required to approve training programs

before they are offered or provided by the

DESCRIPTION (continued)

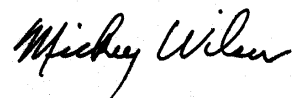
facility. The bill requires that supervised on-the-job training for nurse assistants be completed within 90

days of their employment, and it changes the required number of hours of basic orientation for nursing assistants from 12 to 30.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Health and Senior Services



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